IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO. 627 OF 1998

The Commissioner of Income-tax. ... Applicant.
V/s.
Maharashtra Distilleries Ltd. ... Respondent.

A.S.Rao for the Applicant.

S.S.Shetty for the respondent.

CORAM : V.C.DAGA AND J.P.DEVADHAR, JJ.

DATED : 29th March, 2005.

P.C. :

. Heard learned counsel for the applicant.

The tribunal has referred following question for the

opinion of this Court:

> "Whether on the facts and in the circumstances of the case, and in law of the provisions of section (43)(1) of the I.T.Act, the Tribunal was right in law in holding that depreciation should be allowed without deducting the subsidy received from the Government from the cost of plant & Machinery and Building?

2. The above question has already been answered

by the Apex Court in the case of **C.I.T. v. P.J.Chemicals Ltd.**, (1994) 210 ITR 830 (SC) and

Division Bench of this Court in the case of **C.I.T. v. Menezes Farmaco**, (1999) 236 ITR (Bom) in favour

of assessee. In this view of the matter, the

question referred is answered in affirmative.

. Reference stands disposed of accordingly

with no order as to costs.

*****